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***The Bank publishes from time to time in this* MONTHLY REVIEW *signed articles by exponents of different theories on questions of public interest. The Bank is not necessarily in agreement with the views expressed in these articles.*

The Export Problem

By Lionel Robbins

AMONG all the rule-of-thumb maxims of discussion regarding trade, there is probably none which is more securely founded than that which pays tribute to the high importance of exports to the prosperity of Great Britain. For although there is no special virtue in exports as such, it so happens that the position of Great Britain in the world economy is such as to make it highly improbable that the situation can be regarded as sound if the export trades do not prosper. From time to time there may occur changes in external conditions which make it possible for us to obtain the same volume of imports for a diminished volume of exports, but if this does not happen and if exports fall off, for other reasons, then the imports of food and raw materials which we need can be financed only by a process which in the end involves encroachment upon capital abroad. This would be bad enough in time of peace, although for many years the process may be so slow as to attract little attention. If, however, there is likelihood of war, the danger is much more serious. In any case, in time of war we shall have to draw upon our foreign investments, and if the volume of export has already greatly diminished, the position may be very precarious.

In recent months, after some years of eclipse, these rules have again become the subject of public attention. It is now widely recognised that the diminution in our export trade, which took place during the Great Depression and from which we have never properly recovered, is a serious danger to our prosperity and security. It is not certain that we are actually encroaching on the overseas investment of the past, but new investment abroad has virtually ceased, and we are perilously near the margin. Unless positive action is taken, there is a real danger that the situation may deteriorate still further.

Unfortunately, there is no unanimity concerning the nature of the action which should be taken. We all want the same thing, but we differ concerning the best means of getting it. Some favour bilateral trade agreements, some the policy of export monopolies. Some urge export subsidies, some the reversal of certain domestic restrictions. It is the object of this paper to review, in a more or less systematic manner, the more conspicuous of these alternatives. In the first section there will be reviewed policies which attempt the rehabilitation of trade by seeking a direct enlargement of foreign demand; in the second, policies which directly or indirectly seek to force exports by subsidies. An attempt will then be made to analyse the actual causes restricting the revival of exports. Finally, in the light of this diagnosis, certain general criteria of policy will be indicated.

I

The first expedient which springs to mind, when the increase of exports is called for, is the policy of trade agreements. If our exports are restricted by the high tariffs and import regulations of our neighbours and if their exports are restricted by ours, what could be more sensible than to bargain for reciprocal reductions? Let us rehabilitate international trade by bilateral trade agreements.

Up to this point the argument is simple and overwhelmingly persuasive. We know that in the past the freeing of international business has often come about through bargains negotiated in this way. The great Cobden Treaty of the sixties between France and Great Britain inaugurated a series of negotiations which gave to the peoples of Europe much relief from irritating restrictions. In our own time,

the trade agreements of Mr. Cordell Hull, which culminated in the Anglo-American trade agreement of last year, have been the main factor working against the dominant forces of economic nationalism. So long as agreements reached in this way involve no discrimination against third parties, they do nothing but good; and they are probably the most immediately practicable method of securing the removal of obstacles to trade. They create opportunities which offset the adjustments involved by the lowering of trade barriers; and they encounter less political opposition than unilateral tariff reduction.

Trade agreements are not all of this nature. It is true that there are trade agreements the benefits of which are transmitted to all who enjoy most-favoured-nation privileges with the negotiating parties. But there are also trade agreements which limit the concessions involved to the parties immediately concerned and which often involve positive discrimination against outside parties. There are trade agreements on the model of Mr. Cordell Hull, but there are also trade agreements on the model of Dr. Walter Funk; and unfortunately it is this last type of agreement which has been most strongly recommended in recent discussions concerning British export policy. There are a number of states whose inhabitants buy less from us than we buy from them. The favourite example is that of the Scandinavian nations. "Why should we not use our influence and power," it is asked, "to compel them to buy more?" "Why should we not take a strong line and intimate clearly that, if they are not prepared to make special terms for us, we shall be compelled to make special terms for them?" It is in such terms that the possibilities of bilateral negotiations have recently been recommended to the British public.

Now it is perhaps possible to be too rigid regarding the principle of non-discrimination. Even Mr. Hull has shown unwillingness to extend the benefits of non-discrimination to those who themselves discriminate. And other circumstances are conceivable in which some departure from this principle would be justified. If, for example, it were possible, by some restriction of the area of benefit, to combine large and important European states in some form of tariff union within which commerce was unrestricted, he would be a pedant indeed who refused to co-operate because there were areas left outside.

Nevertheless, speaking generally, discrimination is inadvisable. It tends to cause a maldistribution of resources. It tends to create political jealousies and dissensions. If it becomes the general basis of policy, it can only lead to complete anarchy of economic and political relations.

These dangers are particularly acute so far as Great Britain is concerned. The type of policy which aims at securing equality of imports and exports with each of our customers is not only inimical to the general principles of the international division of labour, it is inimical also to a kind of trade upon which in the past much of our financial and commercial strength has been based. Nothing can be more certain than that the further the principle of bilateral balancing is extended, the less the volume of triangular and multiangular trade must become. By squeezing the weak among our customers, it is quite possible that we might secure some immediate increase of sales in such quarters. Yet at the same time we should be placing new obstacles in the way of the development of trade in general; and the probability that in the end there would be a net gain of export trade is small. We penalise ourselves by agreements which limit our own purchases in the open market, but we penalise ourselves still further by imposing similar limitations upon others. It is difficult to exaggerate the damage which has been done to the British entrepôt trade and to the London Money Market by the spread of the practices of bilateralism. Whatever may have been gained in this way by other powers, it is certain that we have only everything to lose. By such practices, said Adam Smith, "the sneaking arts of underling tradesmen are erected into political maxims for the conduct of a great empire: for it is the most underling tradesmen only who make it a rule to employ chiefly their own customers. A great trader purchases his goods always where they are cheapest and best, without regard to any little interest of this kind."

Moreover, in the present situation of the world, such policies run political risks especially dangerous for this country. There is, of course, nothing to be said against extraordinary measures designed to aid our immediate strategic position, either by way of controlling the supplies of important materials of war or by strengthening the position of our allies. In a desperate position desperate measures may be necessary. Yet,

if it were to be generally accepted that the long-term policy of this country was, by a series of exclusive pacts, to secure the monopoly of foreign markets, we should both alienate our friends and give a pretext to the accusations of our enemies. Our policy would run directly counter to the non-discriminatory policy of our friends in the United States with whom we have just concluded an important commercial treaty; and it would afford real grounds for that plea of economic encirclement which totalitarian propaganda so well knows how to exploit for the consolidation of its own position. Even if there were economic gains to be reaped from such policies, these surely are dangers which would militate against their acceptance.

II

The totalitarian export policy is partly a policy of bilateralism, partly a policy of export monopolies and subsidies. The various firms engaged in particular lines of export are compelled to act through a common organisation. By maintaining monopolistic prices in the home market or by subsidies, direct and indirect, from the Government, they are enabled to " force " exports on the outside world at exceptionally advantageous prices. In certain parts of the world (whose area and importance, however, must not be exaggerated) such methods, combined with the policy of tying agreements, have achieved conspicuous successes, and have roused the envy and emulation of some circles in this country. To meet the totalitarian trade menace, it is said, we must ourselves go totalitarian.

Now it would be very absurd to contend that, whatever the trade policy of the totalitarian states, no countervailing measures were justifiable. The rules of political prudence do not forbid the adoption of safeguards against predatory dumping in domestic markets: and, even where export markets are concerned, it is obviously conceivable that general considerations of strategy and political alliance may render justifiable unusual defensive measures.

Yet it is a far cry from resort to emergency expedients of this kind to the general imitation of the trade policies of the totalitarian states: and, great as may be the appeal of such policies to those minds which delight to conceive of trade in military terms—as a kind of perpetual war in which the

Governments of the world mass their goods and their ships and fling them from one market to another as a Napoleon or a Ludendorf disposed of his troops—there are weighty reasons why we should think twice before we resort to organisation *à la Funk*.

In the first place, it must be observed that such policies are subject to political dangers of much the same sort as those which have already been shown to be attendant on the policy of restricted bilateral agreements. A small export monopoly may not greatly disturb the currents of trade in a world otherwise organised on a basis of competitive markets: the only danger that it involves is its effect on internal stability. But large export monopolies introduce arbitrariness and uncertainty all round and the whole business of trade becomes a business of political horse-dealing—manœuvres for position, swap bargains, pressure here, conciliation there, all the comings and goings of Continental Cartel policy, with the additional complication that, under the plans proposed, the co-operation of the state is essentially involved. The world has surely gone sufficiently far in this direction for it to be clear to all except the infantile or the interested that there is no political appeasement anywhere along this path. On the contrary it implies a reversion to the state of affairs prevailing before the liberal epoch, when wars and disputes regarding trade were the usual order of the day—an order necessitated, be it noted, by the vogue of trading organisations of exactly the type to which it is now proposed that we should revert.

Apart from all this, it should be realised that the forcing of exports by such methods is likely to involve a concealed tax on the domestic consumer. Of course it is conceivable that an increase in sales might be brought about by more vigorous selling policies or by price reductions financed out of the economies of a more efficient distributive organisation. It is possible, too, that an increased volume of output might permit such economies in costs of production as to permit of lower export prices without the maintenance of higher prices at home. But such cases are likely to be exceptional. They figure largely in the claims which are made for such schemes, but they play a smaller rôle in actual practice: the tolerance with which they are treated in the so-called expert literature is evidence, not of the probabilities of the real world, but of the rather childish delight of the

expert mind in the contemplation of unusual cases. In the real world, the probabilities are that the low prices charged to the foreigner by the semi-public export monopoly will be made possible by relatively high prices to the domestic consumer. The dumping of the German export monopolies is paid for by the German consumer.

Now, whatever may be said for the policy of subsidising exports out of straightforward taxation, there seems singularly little to be said for subsidising them out of high prices to home consumers. Let us try to imagine how such a plan would work out with us. Let us suppose—what has often been suggested—that an export monopoly were instituted for British coal. And let us suppose further—what is most probable—that the operations of this monopoly in conquering new export markets were made possible by a policy of price maintenance at home. Would not this be a most undesirable arrangement? Why should home consumers of British coal be called upon to shoulder the burden of what amounts to an export subsidy? Why should they have to buy relatively dear in order that consumers abroad may buy relatively cheap? Why should the burden of subsidising exports be thrown upon the chance collection of manufacturers and domestic consumers who happen to be purchasers of inland coal? The policy is in sharp conflict with the most elementary canons of equity in taxation, and it can only be justified on the avowedly anti-democratic ground that an explicit subsidy might be vetoed, while a concealed levy might escape public condemnation.

The case for subsidies out of straightforward taxation is on rather a different footing. For, granted that, for strategic or diplomatic reasons, a certain branch of export must be maintained regardless of competition, there can be no doubt that, of all available devices, a subsidy of this kind is the least open to objection. It is the most equitable of such devices: for the extra tax burden involved can be justly proportioned among the taxpayers. It is the most honest: for, since it passes through the public accounts, the public is in a position to know the burden it is carrying; and since such burdens are wearisome, there is a presumption that, as soon as the occasion for its assumption has passed, it will be removed. The concealed subsidy tends to stick: the open subsidy to come off.

Nevertheless, when everything has been said in favour of the straight subsidy as compared with other forcing instruments, it must be admitted that there is a strong case against its adoption, save as a most exceptional measure. For after all the subsidy, in so far as it involves lower prices (and that of course is its *raison d'être*), is a subsidy to the foreign consumer. Now it is a useful thing to export in order to pay for imports, but there is no point in exporting just for the sake of the figures: and to increase exports by subsidies, at any rate at a time of reasonably brisk employment, is simply to pay more to the foreigner for imports which otherwise would not have been purchased. Only the most exceptional needs of a community actually or potentially at war could possibly justify such a plan.

Moreover, it must be remembered that, from the international point of view, the subsidy is likely to be regarded as an instrument of aggression. It is certainly no disadvantage to the foreigner to get his imports cheap. But if the subsidy is not expected to be permanent, it is its disturbing, rather than its beneficent, influence which will be noticed. The producers who suffer are likely to be more vociferous than the consumers who benefit. Moreover, so far as competition in outside markets is concerned, a subsidy to exporters of one country is obviously disadvantageous to the exporters of others: a subsidy to the export of British coal would be detrimental to the coal exporters of other coal-producing areas. It is notorious that, in practice, the granting of export bounties by one country tends to generate similar grants by others. At the present day in the world of shipping we are confronted by the absurd spectacle of the nations of the world overloading their respective budgets in the endeavour to ruin each other's industries by outbidding each other's subsidies. This is surely a state of affairs which no sane man would wish to see generalised.

III

The types of policy which have been examined thus far—the discriminating trade agreement and the forcing of exports—are both examples of the danger of prescription without adequate diagnosis. It is perceived that exports are depressed, and forthwith, without enquiry concerning the

causes of this depression, some *ad hoc* palliative is adopted, regardless of the further repercussions of such action or its appropriateness to the fundamental causes of the decline. The world is cluttered up with this sort of thing nowadays: and, although such blind action is sometimes defended as "realistic," nothing can be regarded as more clearly demonstrated by experience than that it leads to a cumulative muddle—a hotchpotch of inconsistent expedients whose final effect is simply that restriction of trade in general which is the most conspicuous feature of the commercial history of the last decades. To discover adequate remedies it is necessary to investigate the causes of the disease.

There are two main obstacles to the recovery of British exports—external barriers and internal policy. The effects of external barriers are well known: it would be tedious to elaborate them further. The effects of internal policy are perhaps less obvious, and some further examination of their main characteristics may not be altogether out of place.

The present policy of the British Government as regards external trade is predominantly a policy of restricting imports. Imports are restricted by the general tariff, by special duties, and by certain quantitative limitations. At the same time, in certain branches of agriculture—the production of sugar beet is a notorious example—it is attempted by internal subsidies and such-like measures to increase the proportion of total consumption which is purchased from home sources.

At the time at which these measures were first proposed, the state of the world was so confused that it was possible for intelligent men to take two views concerning their immediate repercussions on the volume of external trade. Under a gold standard system, the connection between imports and exports is not direct; and it was possible to argue that the relief given to the internal credit situation by the imposition of small restrictions on imports need not immediately affect injuriously the prospects of the export industries.

Yet whatever the rights and wrongs of this particular controversy—the present writer is still unconvinced that there was any finally valid argument for the measures adopted—it is generally acknowledged that, in the long run, limitation of the volume of imports must imply limitation of the volume of exports. If, by some miracle of abstinence, we could cease importing altogether to-morrow, we might for some time

amass reserves of gold, foreign exchange and foreign investments on account of the exports which still continued. Yet sooner or later the world would buy less from us. The export industries would decline. In a state of complete self-sufficiency there would be neither imports nor exports.

Now there can be little doubt that this is part of the explanation of what has been happening to British exports. If we limit our imports from other people, we tend to limit their power to buy from us. The mechanisms whereby, in the present chaos of monetary nationalism, this limitation actually works out are many and various; and there are other factors tending to embarrass particular lines of exports. Still the broad fact remains that if we do not buy so much from other people they will not buy so much from us. We cannot enjoy *both* the pleasures of greater self-sufficiency and the advantages of external trade. It would be a miracle if the British tariff only operated by limiting other people's exports to us; and in fact there is no reason whatever to believe that such a miracle has actually happened. The decline of demand for our shipping services is a very obvious example of the effect of the restriction of imports. The provision of shipping services is a branch of export which must obviously be affected by such a policy: and in fact the fall in demand for British shipping has reached catastrophic dimensions in recent years. But shipping is certainly not the only branch of export to be affected. The shrinkage of international demand in general has been one of the most conspicuous developments of recent economic history. We cannot evade some share of responsibility for this.

This is not the only way in which policy has affected exports. It has also operated on the side of costs, and it is perhaps here that its influence is more apt to escape the attention of the general public.

The prevalent tendency of industrial policy in Great Britain in the last ten years has been in the direction of what may be described as the quasi-corporative state. Directly, by means of enabling bills, or indirectly, by means of tariffs and gentlemen's agreements between the Imports Advisory Committee and particular groups of industrialists, the tendency has been to create and to consolidate semi-official cartels of producers, having greater or less power to control competition and to maintain the prices of the articles in which they are

interested. Outstanding examples of this tendency are to be found in the coal industry and in iron and steel, where branches of production, hitherto highly competitive, have been placed in a position of state-sanctioned and state-assisted monopoly.

Now there can be no doubt that all these arrangements have brought considerable prosperity to the branches of industry concerned. It by no means follows that they have brought equal benefit to the community at large. For they involve prices higher than would otherwise have been the case to the domestic consumers of their products, and to the industries manufacturing for export they involve higher costs of production. They impair the competitive strength of existing branches of export and they inhibit the development of new branches which would be profitable at lower levels of cost. It is a complete fallacy to suppose that measures which secure the profitability of particular branches of enterprise by restricting competition are profitable from the point of view of the community. In the absence of special evidence to the contrary, there is a strong presumption that their effect is exactly the reverse.

A conspicuous example of this tendency is afforded by the case of iron and steel. Since 1932, as a result of special duties and of the regulation of imports, the manufacturers of iron and steel have been enabled to maintain prices higher than would otherwise have prevailed. This policy has undoubtedly brought considerable prosperity to the various concerns engaged in this branch of industry: but it has meant higher costs to the users of their products. It has meant higher costs than would otherwise have been the case for important branches of the export industries—for automobile manufacturers and for shipbuilders, to name only two of the many trades affected. There may well have been special reasons of a military nature for some extraordinary assistance to the manufacturers of iron and steel, but it is not open to question that the form which the assistance actually given has taken has been such as to impose a concealed tax upon the multitudinous users of their products. Similar strictures could be passed upon our policy in regard to coal and in regard to road transport.

How serious all this has been in the recent past is a question to which it is difficult to give any sort of quantitative

answer, though, if the pivotal positions of the industries chiefly affected be taken into account, it is difficult to avoid the impression that the effect must have been considerable—an impression which is strengthened by the fact that since 1935 the rise in the average price of our manufactured exports has been greater than the rise in the average price of imported raw materials. Yet, whatever may have happened up to date, it is surely clear that the persistence and the extension of this kind of arrangement must be a growing menace to our competitive strength and our capacity for adaptation. We are increasing the shelter of the sheltered industries and taking steps which diminish the demand for the products of the unsheltered. "One cannot avoid the impression," says an experienced American observer, "that the British are trading long run development for immediate prosperity in particular industries: that industrial progress is being sacrificed to the protection of existing interests: and that domestic markets are being saved for British producers at the expense of the great export industries which, bewildered, are themselves turning to control devices which can scarcely be effective in an international economy. It is difficult to avoid the conclusion that Britain is seeking to control competition by eliminating its essential elements."*

IV

If this diagnosis is correct, then, if the rehabilitation of the export trades is to be more than a pious wish, two prescriptions seem to follow.

In the first place, as regards domestic affairs, we need a new criterion of industrial policy. Instead of asking of any measure what its effect will be upon the prosperity of a particular industry, we must ask what its effects will be upon prices and costs in general. We must abandon the view that the members of particular lines of industry have a right to "reasonable" profits, whatever the demand for their products. We must return to the view that their right to profits must be earned by satisfying demand more adequately than other available sources. If a measure has the effect of reducing

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* *Price and Production Control in British Industry*, by Ben W. Lewis (University of Chicago Press, 1937). This illuminating pamphlet by an ex-member of the Advisory Council of the National Recovery Administration deserves the attention of all who are interested in attempting to see ourselves as we are seen by expert outsiders.

the costs of production in general, it deserves support; if it raises them, it must be rejected. It would surprise many, I fancy, to find how much of the industrial legislation of recent years would fail to pass this test. If we are not willing to impose such a test, then we must not grumble if the export trades continue to languish under burdens which arise as a direct result of domestic policy.

In the second place—and this brings us back to the first proposals we considered—while we seek to eliminate obstacles to cost reduction at home, we must seek at the same time to eliminate obstacles to a revival of demand abroad. This is not to be done by the facile methods of bullying our weaker customers to take less from others and more from us: there is no hope for a healthy revival of world trade along the lines of tying agreements, yet it may well be done along the lines of bilateral agreements, the benefits of which are extended to all who are willing to practise a like abstinence from discrimination. The American trade agreement is a good beginning here, but there are still many worlds to conquer. It is really not possible to contend that we have been very zealous in recent years in seeking to bring about a lowering of trade barriers. On the contrary, it is only too clear that we have been extremely Laodicean, deluding ourselves with the belief that we alone among nations could enjoy at once the greater shelter of import restriction and a greater outlet for exports. Now that this delusion has been shattered by painful experience, perhaps we may turn again to more logical policies.

One final point. The troubles of the export industries at the present day are not merely a symptom of the prevalence of irrational policies regarding industry and trade: they are still more a symptom of the general disease of a world ridden by virulent political nationalism. The origin of the policies under which our exports languish is only partly economic; it is partly, perhaps predominantly, political. Any diagnosis of the present orgy of nationalist restrictionism which failed to take account of the baleful influence of the struggle for military ascendancy would be *Hamlet* without the Prince of Denmark; it is difficult to overestimate the extent to which, ever since the Great War, the struggle of the pressure groups for restrictionist privilege has been aided by appeal to considerations of military security, which, in the present chaos

of national sovereignties, have a rational basis in national interest. Nevertheless there is reciprocal causation. Restrictionism is in part due to rampant nationalism and the extraordinary sacrifices of wealth which it involves, but rampant nationalism is also due in part to economic restricttionism. It is important not to exaggerate here the rôle of the economic factor: the response in terms of military aggressiveness has often been quite disproportionate to the stimulus. Nevertheless it has played some part. And so, while, in the dangerous months to come, we may have to be desperately *ad hoc* in the conduct of all our policy, it is worth while remembering that every square mile gained in the creation of "living space" for rational commercial intercourse is that much to the good also in the elimination of grounds for international conflict.

LIONEL ROBBINS.

June 20th, 1939.

Economic Conditions at Home and Overseas

Apart from a slight and natural interruption during Whitsun, the recovery in business has been well maintained, and, indeed, made further progress during June. The latest official returns show that the total volume of industrial employment was 11,969,000 on June 12th, compared with 11,838,000 a month before and 11,369,000 for June last year. Unemployment has now fallen to 1,350,000, which cannot be a very long way off its irreducible minimum. Already there is a scarcity of certain types of labour, and it is nearly true to say that the adequacy of our labour supply is replacing unemployment as one of our chief economic problems.

Other indications of the state of trade are equally promising. The demand for industrial coal remains good, though Cardiff reports that restocking is less in evidence than it was two months ago. The steel trade is active in all parts of the country, and it is now impossible to obtain quick delivery of certain kinds. Engineering is also active. Manchester reports full order-books, Sheffield says that there is a shortage of skilled labour, and Birmingham engineers are well employed. The Sheffield tool industry is also satisfactory. The Clyde shipyards are busy, both on naval work and also on the new orders for commercial tonnage recently placed under the Government scheme. In consequence, marine engineers on the Clyde are receiving many important orders. The only disappointment was the May returns of building plans. These showed a drop of 19·4 per cent. below the previous year, and this was entirely due to a decrease of 38·4 per cent. in the dwelling-house section of the returns. So far the industry remains active, though partly because of Government contracts, which are excluded from the returns. A revival in house-building, however, seems dependent upon a satisfactory solution of the war risks problem.

The textile industries have also maintained their recent improvement. Raw cotton deliveries to Lancashire are considerably greater than a year ago, and sales of piece-goods have been improving. Government orders admittedly are playing an important part, but Manchester says that there is a good general enquiry and a healthy tone. Export business, however, remains dull, while the Liverpool raw cotton market is still unsettled by doubts over American cotton policy. At

Bradford the revival in the wool textile industry is now spreading to the merino section, and there is a better civilian demand. Germany is placing orders of an appreciable size for worsted yarns. The linen trade is fully engaged on Government orders. Jute spinners are waiting to see how prices will move when the new crop becomes available. Crop reports are satisfactory, and there is an increase in the area sown. Thus last year's shortage may not be repeated.

May retail trade returns were 9·1 per cent. greater in value than those of last year. Central and West End London still lag behind. There was no change during May in retail food prices or the cost-of-living, and wholesale prices also remained very stable during May and June. This stability of commodity prices has been a marked feature of the present recovery, and shows that rearmament expenditure has not yet led in the direction of inflation. There has recently been a fair demand for industrial chemicals. Electric power consumption during May was not quite up to the April level, but was substantially greater than last year. Railway goods traffic receipts were well maintained during June, but there was the normal summer decline in coal traffics. The May overseas trade returns were very encouraging, with definite improvements in raw material imports and in exports of manufactured goods. Shipping entries and clearances were also relatively satisfactory. Freights hardened during May owing to a temporary demand for grain chartering, but most markets have since become easier.

In Australia crop prospects have been improved by recent rains. A late cable from the National Bank of Australasia says that there is a strong demand for Queensland wool. Good rains have also fallen in Canada, where they were badly needed. Canadian business conditions are little changed. Rains have fallen in many parts of India. The latest estimates foreshadow a wheat crop not quite as great as that of last year.

On the Continent the revival in French trade continues. The April production index was 94 (1928 = 100), or the highest since 1931. May witnessed a further drop in unemployment, and the May trade returns were substantially better than those of last year. Germany continues to work at capacity, and there is further evidence of the shortage of agricultural labour. In Holland the chief development during June was the

weakness of the exchange. This was partly due to technical reasons and partly to the general nervousness over the political outlook, and there has been no real alteration in internal economic conditions. Business in Scandinavia has been improving. The increase in timber prices in Great Britain, due to heavy Government demands, has been helpful to Sweden. In Norway there have been a reduction in the quantity of laid-up tonnage and an improvement in industrial production.

Reports of American business conditions are slightly better. Political uncertainties in Europe and the Far East remain a deterrent, while there is still the cleavage between the Administration and the business world. The new spending programme of the Administration has attracted little attention, while the Senate's manœuvres over silver and the President's devaluation powers caused some unsettlement towards the end of the month. On the other hand, steel production and motor-car sales have been improving, and May construction reports showed a high rate of residential building activity. May retail trade returns were also better than those of the previous year. United States crops, like those in Canada, have recently been helped by rain, but the wheat crop seems likely to be below average and also substantially smaller than that of last year.

In South America Argentine crop prospects have recently been improved by rain. Retail business during May was encouraging. In Brazil it is still an open question if the trade balance will be sufficiently favourable to cover the new plans for the service of the external debt. The Santos coffee market has become quieter owing to a decline in overseas demand.

Notes of the Month

The Money Market.—With bankers' deposits standing at about £100 millions, money was fairly plentiful during June. The clearing banks continued to lend at their normal rates, while loans against bonds were readily obtainable outside the clearing banks at the relatively low rate of ½–⅝ per cent. There was the usual demand for loans over the end of the half-year, and towards the end of June these were available at 1–1¼ per cent. The June 30th stringency, however, was much less marked than it was six months ago, for the market was able to arrange its Treasury bill applications so as to pay for all its new bills on July 1st.

Discount rates were firm during most of June. The clearing banks did not buy many bills, as they were preparing for the end of the half-year, while during the month there was a rapid growth in the supply of Treasury bills. The growing excess of ordinary expenditure over ordinary revenue, combined with the expenditure under the Defence Loan Acts, which has begun much earlier this year, has raised the floating debt during June from £999 to £1,076 millions. The "tender" issue equally grew during June from £449 to £484 millions with the result that the discount market secured large allotments during June, and the average tender rate rose on June 16th to 16s. 7·81d. per cent. The rate eased the following week, but on June 30th it rose once more to 17s. per cent., partly because of the deterioration in the political outlook and partly because the October bill had then come on offer.

The Foreign Exchanges.—In spite of political rumours and uncertainties, June was not a bad month for sterling. The spot New York rate was easily held at just over $4·68, and while at times the Exchange Equalisation Account had to support sterling, at other times it was able to buy a few dollars. Towards the end of June some Continental gold appeared on the London bullion market, and these realisations may indirectly have helped the pound. On the other hand there was a heavy demand for dollars on June 29th. The latest returns of the Exchange Equalisation Account show that Great Britain's total gold stock on March 31st last was £594 millions at 148s. 6d. per fine ounce, compared with £689 millions on September 30th, and £835 millions on March 31st,

1938, at 140s. per fine ounce. On March 31st the Exchange Account itself held £367 millions of gold.

The most important of recent developments was the sudden drop in the Chinese rate of exchange from 8¼d. to little more than 6d. The Chinese authorities had been experiencing growing difficulty in supporting the Chinese dollar, largely because the war is affecting China's trade balance. They, therefore, thought it advisable to withdraw their support to the dollar and to allow it to sink to a level at which exports might receive a fresh stimulus.

The report that the Chinese banks in Shanghai were limiting withdrawals of currency was a little puzzling. Some restrictions have been in force ever since the outbreak of war, and it can only be assumed that these have now been tightened. One consequence was that some holders of foreign currency were forced to realise, and this gave limited and temporary assistance to the exchange. It is, however, difficult to believe that this was the main object of the tightening of the restrictions.

The Stock Exchange.—During June there was a complete absence of business, with no real pressure either to buy or to sell. The buying movement, noticeable at the end of May, failed to develop, and with no real activity prices fluctuated almost from to-day in response to every fresh rumour concerning the political outlook. In view of the month's developments in the Far East, it is not surprising that the general trend of prices was downwards, but the net decline was less than might have been expected, and it still left prices above the low points touched towards the end of April. There was also a temporary rally in the third week of June. It looks as if markets are beginning to display greater powers of resistance to the influence of politics.

The net decline in the gilt-edged market during the month was not quite 2 per cent. In the foreign bond market Chinese and Japanese bonds fell as a result of the difficulties at Tientsin. Home rails weakened, in spite of the rise in the year's aggregate traffics to a point just above the parallel 1938 figures. Industrials equally failed to respond to the improvement in unemployment and other indications of trade recovery. On the other hand the announcement of the Armaments Profits Duty had little effect on the shares most directly concerned, probably because the new tax had been anticipated for several weeks ahead. Oil shares lost ground during the month, partly because of

the doubts expressed in various authoritative quarters regarding the immediate outlook for world consumption. Nor were tin shares helped by the further rise in the price or increase in the quota. Other markets, such as rubber and gold mines, were equally subject to the general atmosphere.

Overseas Trade.—As the following table shows, May was an encouraging month. Both imports and exports were higher than in April, and were also better than in May, 1938. According to the *Economist's* calculations, the volume of raw material imports for May was 127 (1935 = 100), compared with 117·5 in April and 103 in May last year. The volume of exports of British manufactured goods was 106·5 in May, compared with 100·5 in April and 93 in May last year :—

	Apl., 1938	May, 1938	Apl., 1939	May, 1939
		£ millions		
Imports	73·7	75·4	70·1	78·5
British Exports ...	37·3	38·2	35·1	42·3
Re-exports ...	5·0	7·2	4·6	5·0
Total Exports ...	42·3	45·4	39·7	47·3
Impert Surplus ...	31·4	30·0	30·4	31·2

The returns of the first five months of 1939, compared with those of the previous year, are summarised below :—

Description	Jan.-May, 1938	Jan.-May, 1939	Increase (+) or Decrease (−)
	£ mn.	£ mn.	£ mn.
Total Imports	393·4	366·2	−27·2
Retained Imports	365·5	342·4	−23·1
Raw Material Imports	113·8	100·2	−13·6
Manufactured Goods Imports ...	104·2	98·9	− 5·3
Total Exports, British Goods ...	196·3	196·5	+ 0·2
Coal Exports	15·2	15·0	− 0·2
Iron and Steel Exports	18·9	14·9	− 4·0
Cotton Exports	22·2	20·6	− 1·6
British Manufactured Goods Exports	154·7	153·6	− 1·1
Re-exports	27·9	23·8	− 4·1
Total Exports	224·2	220·3	− 3·9
Visible Trade Balance	−169·2	−145·9	+23·3

For the first time this year the cumulative total of British exports shows an increase on the previous year. Admittedly

the increase is small, but it suffices to suggest that our export trade is being maintained, in spite of the growing demands of rearmament upon our industries. The improvement over last year is mainly in the "foodstuffs" and "parcel post" categories. Among manufactured goods there was a noticeable increase in exports of vehicles, and a big drop in iron and steel. The effect of rearmament is traceable in this last instance.

Commodity Prices.—British wholesale prices continue to display a remarkable degree of stability. During June the *Financial Times* weekly index only moved within the narrow limits of 117·6 and 116·9 (September, 1931 = 100) and the total range of movement since the New Year lies within the limits of 117·9 and 116·1. Wheat prices have fallen slightly during the past few weeks, and world supplies are still heavy. Cotton prices have been firmer, in spite of the prevailing uncertainties over American policy. Wool prices continue to harden, and merinos have now begun to advance in price. Jute is now easier, as the approaching new crop promises to replenish supplies. Among non-ferrous metals tin has risen practically to the upper limit of £230 a ton, at which point sales from the buffer pool are due to be made. Rubber has remained steady at about 8¼d. per lb.

The British official cost-of-living index number remained unaltered during May at 153 (July, 1914 = 100). On June 1st, 1938, it stood at 155. The retail food price index number was also unchanged during May at 134 (July, 1914 = 100). On June 1st, 1938, it stood at 138. There has been a decline since December in both retail food prices and the general cost of living, but it is less than the normal seasonal movement.

Home Statistics

BANK OF ENGLAND

Issue Department

	Note Circulation	Govt. Debt	Other Govt. Securities	Other Securities	Silver Coin	Fiduciary Issue	Gold
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
End March, 1931	357·1	11·0	232·0	12·9	4·0	260·0	144·5
„ „ 1932	360·5	11·0	240·9	19·3	3·8	275·0	120·8
„ „ 1936	406·5	11·0	246·5	1·5	1·0	260·0	200·6
„ „ 1937	473·8	11·0	187·0	2·0	—	200·0	313·7
„ „ 1938	485·4	11·0	188·2	0·8	—	200·0	326·4
„ „ 1939	482·0	11·0	287·9	0·3	0·8	300·0	226·2
June 21, 1939	494·7	11·0	288·2	0·1	0·7	300·0	226·3
June 28, 1939	499·0	11·0	288·2	0·1	0·7	300·0	226·4

Banking Department

	Public Deposits	Bankers' Deposits	Other Deposits	Govt. Securities	Discounts and Advances	Other Securities	Reserve	Proportion
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	%
End March, 1931	17·2	58·8	34·7	30·3	24·6	25·7	48·3	43·6
„ „ 1932	27·2	54·6	34·4	35·7	11·7	51·1	35·9	30·9
„ „ 1936	18·0	83·6	37·0	80·3	5·0	16·7	54·9	39·6
„ „ 1937	52·2	62·3	38·5	100·5	7·1	22·9	40·8	27·7
„ „ 1938	17·8	108·1	37·4	110·8	8·7	20·2	41·8	25·6
„ „ 1939	21·8	98·5	36·3	102·3	4·8	22·5	45·2	28·9
June 21, 1939	25·2	97·2	36·1	112·6	6·5	25·2	32·2	20·3
June 28, 1939	15·4	101·4	37·0	113·9	6·8	22·9	28·1	18·3

LONDON CLEARING BANKS (monthly averages)

	Deposits	Acceptances, Guarantees, etc.	Cash	Balances and Cheques	Call and Short Money	Bills	Investments	Advances
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
March, 1931	1,763·9	121·5	184·0	43·5	114·1	240·4	311·1	936·1
„ 1932	1,676·4	98·7	174·0	43·4	112·5	216·8	281·9	902·1
„ 1934	1,830·6	112·8	218·9	43·5	120·4	202·1	547·1	753·0
„ 1936*	2,108·3	105·2	216·7	53·8	162·4	252·0	635·1	849·2
„ 1937*	2,244·2	122·5	225·8	62·7	169·8	247·8	667·4	934·4
„ 1938*	2,253·7	112·0	244·2	59·1	150·4	238·6	634·0	995·2
Apr., 1939*	2,154·8	126·2	229·0	60·8	145·3	184·4	610·5	992·5
May, 1939*	2,166·8	127·3	236·1	61·6	143·5	200·7	604·5	988·0

* Includes the District Bank.

LONDON BANKERS' CLEARING HOUSE RETURNS

	Town Clearing	Metropolitan Clearing	Country Clearing	Total
	£ mn.	£ mn.	£ mn.	£ mn.
1930	38,782	1,812	2,964	43,558
1931	31,816	1,668	2,752	36,236
1932	27,834	1,610	2,668	32,112
1933	27,715	1,657	2,766	32,138
1934	30,740	1,760	2,984	35,484
1935	32,444	1,887	3,229	37,560
1936	35,039	2,040	3,538	40,617
1937	36,719	2,162	3,805	42,686
1938	33,862	2,075	3,673	39,610
1938 to June 29	16,664	1,050	1,846	19,560
1939 to June 28	14,917	1,017	1,835	17,769
1938 June (4 weeks) ...	2,433	150	267	2,850
1939 June (4 weeks) ...	2,212	153	284	2,649

BANKERS' PROVINCIAL CLEARING RETURNS

	Mar., 1929	Mar., 1932	Mar., 1936	Mar., 1937	Mar., 1938	May, 1938	Mar., 1939	April, 1939	May, 1939
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Birmingham.	11·9	9·0	10·7	11·3	10·6	10·0	10·6	9·1	9·6
Bradford ...	5·9	3·4	4·7	4·6	3·6	3·2	3·8	3·4	3·5
Bristol ...	5·3	4·9	5·5	5·5	5·9	5·9	5·8	4·9	5·9
Hull ...	4·0	3·0	3·4	4·0	4·0	3·4	3·6	3·2	3·1
Leeds ...	4·4	3·8	3·9	4·8	4·3	4·0	4·7	4·0	3·6
Leicester ...	3·6	3·1	3·1	3·3	3·3	3·0	3·3	2·9	3·0
Liverpool ...	34·2	25·6	27·5	35·8	24·8	22·4	22·9	19·4	20·4
Manchester .	58·0	42·5	44·9	50·7	44·0	40·1	43·2	38·6	41·0
Newcastle-on-Tyne ...	6·5	5·7	5·7	6·3	6·9	6·7	7·1	5·7	6·5
Nottingham .	2·8	1·9	2·1	2·3	2·3	2·1	2·2	2·0	2·2
Sheffield ...	4·6	3·3	4·3	6·0	4·8	4·5	4·9	4·2	4·4
	141·2	106·2	115·8	134·6	114·5	105·3	112·1	97·4	103·2

LONDON AND NEW YORK MONEY RATES

	London					New York		
	Bank Rate	Treasury Bills: Tender Rate	Treasury Bills: Market Rate	3 Months' Bank Bills	Short Loans	F.R.B. Re-discount Rate	Call Money	Accept-ances
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
End March, 1931	3	2 17/32	2 9/16–2⅝	2 9/16–2⅝	2–2½	2	1½	1⅜
" " 1932	3½	2 5/32	1⅞	2½–2¾	2–3	3	2½	2½
" " 1934	2	23/32	¾	15/16	½–1	1½	1	¼
" " 1936	2	17/32	½	17/32–9/16	½–1	1½	¾	3/16
" " 1937	2	½	½	9/16	½–1	1½	1	7/16
" " 1938	2	½	½	17/32–9/16	½–1	1	1	½
May 31st, 1939	2	21/32	9/16–⅝	⅝–11/16	½–1	1	1	½
June 28th, 1939	2	23/32	¾	¾	½–1	1	1	½

FOREIGN EXCHANGES

London on	1937 June 30	1938 June 29	1939 June 7	1939 June 14	1939 June 21	1939 June 28
New York—						
(a) Spot	4·93⅜	4·95 7/16	4·68 17/32	4·68 11/32	4·68 5/32	4·68⅛
(b) 3 months	1 5/16c. pm.	9/16c. pm.	1⅜c. pm.	1¼c. pm.	1 17/32c. pm.	1⅜c. pm.
Montreal	4·94⅞	5·00⅜	4·69 1/16	4·69¼	4·69 5/16	4·69½
Paris—						
(a) Spot	n.q.	177⅞	176 23/32	176 23/32	176 23/32	176 23/32
(b) 3 months	n.q.	Fr.1½ dis.	Fr.¼ dis.	Fr.5/16 dis.	Fr.5/16 dis.	Fr.⅜ dis.
Berlin—						
(a) Official	12·30½	12·30¼	11·68	11·67	11·67	11·67
(b) Registered Marks ...	47½% dis.	53⅛% dis.	62¼% dis.	63¾% dis.	63½% dis.	63⅜% dis.
Amsterdam	8·98¾	8·95 3/16	8·79¾	8·81¾	8·81 13/16	8·81 15/16
Brussels	29·32½	29·22½	27·52½	27·52½	27·53½	27·53¼
Milan	93 13/16	94 3/16	89⅛	89 1/16	89	89 1/16
Zurich	21·58¾	21·61¼	20·76	20·77¼	20·76¾	20·76½
Stockholm	19·39⅜	19·39½	19·42	19·42	19·42	19·42
Madrid	85*	115*	42½‡	42½‡	42½‡	42½‡
Buenos Aires—						
(a) Export	15	15	15	15	15	15
(b) Import†	16·00	16·00	17·00	17·00	17·00	17·00
(c) Free	16·32	19·05	20·23	20·24	20·20	20·20
Rio de Janeiro—						
Official Buying ...	55$600	85$700	77$280	77$290	77$260	77$260
Official Selling ...	—	87$220†	—	—	—	—
Free Selling	75$000	—	90$500†	93$700†	94$300†	93$500†
Valparaiso	131½*	125*	117*	117*	117*	117*
Bombay	18⅛d.	17 25/32d.	17 29/32d.	17 29/32d.	17 29/32d.	17 29/32d.
Hong Kong	14 11/16d.	14⅞d.	14 15/16d.	14⅞d.	14 13/16d.	14 13/16d.
Kobe	1/1 31/32	1/2	1/2	1/2	1/2	1/2
Shanghai	14 7/16d.	8⅞d.	7½d.*	6½d.	6½d.	6⅜d.
Gold Price	140s. 9d.	140s. 8½d.	148s. 4d.	148s. 5d.	148s. 5½d.	148s. 6½d.
Silver Price	20 1/16d.	19 1/16d.	19 15/16d.	19 15/16d.	19d.	18 9/16d.

* Nominal.
‡ Official rate, seller.
† Excluding tax on remittances.
n.q.=no quotation.

PUBLIC REVENUE AND EXPENDITURE

	1935–6	1936–7	1937–8	1938–9	1938–9 to June 25	1939–40 to June 24
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
REVENUE—						
Income Tax	238·1	257·2	298·0	335·9	10·4	10·2
Sur-Tax	51·0	53·6	57·1	62·5	5·9	6·5
Estate Duties	87·9	88·0	89·0	77·4	16·9	17·8
Stamps	25·8	29·1	24·2	21·0	3·7	3·9
National Defence Contribution	—	—	1·4	21·9	1·6	4·3
Customs	196·6	211·3	221·6	226·3	51·3	56·9
Excise	106·7	109·5	113·7	114·2	26·5	26·3
Motor Vehicle Duties (Exchequer Share) ...	5·0	32·7*	34·6*	35·6*	4·6	4·6
Other Tax Revenue	2·1	1·7	1·7	1·6	0·1	0·2
Total Tax Revenue	713·2	783·1	841·3	6·4	121·0	130·7
Post Office (Net Receipts) ...	11·7	11·0	10·5	9·6	2·5	3·4
Post Office Fund	—	—	0·8	1·4	—	—
Crown Lands	1·4	1·4	1·3	1·3	0·3	0·3
Receipts from Sundry Loans	4·9	4·5	5·2	5·7	0·4	0·4
Miscellaneous Receipts ...	21·7	24·6	13·5	12·9	1·2	1·2
Total Non-Tax Revenue ...	39·7	41·6	31·3	30·9	4·4	5·3
Total Ordinary Revenue ...	752·9	824·7	872·6	927·3	125·4	136·0
Post Office	66·1	71·9	76·1	78·9	17·1	16·7
Road Fund	25·8	—	—	—	—	—
Total Self-balancing Revenue...	91·9	71·9	76·1	78·9	17·1	16·7
EXPENDITURE—						
National Debt Interest ...	211·5	210·9	216·2	216·8	74·7	75·2
Payments to N. Ireland ...	7·2	8·0	8·9	9·5	1·4	1·6
Other Cons. Fund Services...	5·7	3·2	3·1	4·8	0·5	0·6
Post Office Fund	1·1	0·4	—	—	—	—
Supply Services	512·0	594·7*	605·0*	695·7*	145·2	185·5
Total Ordinary Expenditure ...	737·5	817·2	833·2	926·8	221·8	262·9
Sinking Fund	12·5	13·1	10·5	13·2	—	—
Self-balancing Expenditure (as per contra)	91·9	71·9	76·1	78·9	17·1	16·7

* Motor Vehicle Duties apportioned to Road Fund, treated as self-balancing in 1936–37, now added to Revenue and Expenditure figures for purposes of comparison.

PRODUCTION

	Coal	Pig-Iron	Steel
	Tons mill.	Tons thous.	Tons thous.
Total 1913	287·4	10,260	7,664
„ 1925	243·2	6,262	7,385
„ 1929	257·9	7,589	9,636
„ 1930	243·9	6,192	7,326
„ 1931	219·5	3,773	5,203
„ 1932	208·7	3,574	5,261
„ 1933	207·1	4,136	7,024
„ 1934	221·0	5,969	8,850
„ 1935	222·9	6,426	9,842
„ 1936	228·5	7,686	11,705
„ 1937	241·2	8,497	12,964
„ 1938	228·1	6,763	10,394
Total to May, 1938	99·8	3,464	5,150
Total to May, 1939	99·0	2,921	5,230

BOARD OF TRADE PRODUCTION INDEX NUMBER *
(1930 = 100)

	Complete Year		1938				1939
	1937	1938	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.
Mines and Quarries	99·8	93·9	104·0	89·3	86·0	96·4	100·6
Iron and Steel	166·6	131·5	168·4	131·6	106·4	119·8	149·1
Non-Ferrous Metals	165·3	146·2	153·3	147·4	142·8	141·4	139·7
Engineering and Shipbuilding	136·3	128·9	132·7	128·8	124·6	129·5	135·1
Building Materials and Building	153·2	145·4	146·1	152·5	148·0	134·8	127·6
Textiles	129·6	111·1	116·9	106·4	106·5	114·0	120·7
Chemicals, Oils, etc.	124·5	116·3	121·7	112·9	110·9	119·5	121·6
Leather and Boots and Shoes	111·9	104·8	111·6	102·2	97·9	107·4	119·2
Food, Drink and Tobacco ...	119·9	121·4	116·0	123·5	122·7	123·4	118·5
Total†	132·8	124·1	132·1	121·7	117·0	126·0	136·2

* Revised quarterly by the Board of Trade.
† Includes paper and printing, gas and electricity, rubber, cement and tiles.

UNEMPLOYMENT

(a) Percentage of Insured Workers

Date	1929	1931	1932	1934	1935	1936	1937	1938	1939
End of—									
January	12·3	21·5	22·4	18·6	17·6	16·2	12·4	13·2*	14·3*
February	12·1	21·7	22·0	18·1	17·5	15·3	12·0	13·1*	13·4*
March	10·0	21·5	20·8	17·2	16·4	14·2	11·6	12·7*	12·3*
April	9·8	20·9	21·4	16·6	15·6	13·6	10·5	12·7*	11·6*
May	9·7	20·8	22·1	16·2	15·5	12·8	10·7	12·8*	10·6*
June	9·6	21·2	22·2	16·4	15·4	12·8	10·0	13·2*	
July	9·7	22·0	22·8	16·7	15·3	12·4	10·1	12·9*	
August	9·9	22·0	23·0	15·5	14·9	12·0	9·9	12·6*	
September	10·0	22·6	22·8	16·1	15·0	12·1	9·7	12·8*	
October	10·3	21·9	21·9	16·3	14·5	12·0	10·1*	12·7*	
November	10·9	21·4	22·2	16·3	14·5	12·0	10·9*	13·0*	
December	11·0	20·9	21·7	16·0	14·1	12·0	12·1*	12·9*	

* New Basis.

(b) Actual Numbers Employed and Unemployed (in thousands)

	Mar., 1932	Mar., 1936	Mar., 1937	Mar., 1938	May, 1938	Mar., 1939	April, 1939	May, 1939
Number employed ...	9,549	10,689	11,310	11,399	11,375	11,586	11,685	11,838
Wholly unemployed	2,129	1,551	1,330	1,356	1,307	1,429	1,343	1,234
Temporarily stopped	427	240	170	338	404	231	239	198
Normally in casual employment ...	104	88	76	70	69	67	62	60
Total unemployed ...	2,660	1,879	1,576	1,764	1,780	1,727	1,644	1,492

RAILWAY TRAFFIC RECEIPTS

	Four weeks ended				Aggregate for 25 weeks			
	June 26, 1938		June 25, 1939		1938		1939	
	Passengers	Goods	Passengers	Goods	Passengers	Goods	Passengers	Goods
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Great Western ...	0·97	1·06	0·93	1·26	4·77	7·54	4·77	7·80
London & North Eastern*	1·55	1·98	1·48	2·28	7·47	14·40	7·39	14·40
London Midland & Scottish	2·45	2·53	2·26	2·84	11·52	18.27	11·35	18·46
Southern	1·53	0·34	1·45	0·37	7·43	2·30	7·45	2·32
Total	6·50	5·91	6·12	6·75	31·19	42·51	30·96	42·97

* The London & North Eastern Railway Returns are made up a day earlier each week than the other lines.

RETAIL TRADE

(from the Board of Trade Journal)

Change in value since same date in previous year

	May, 1936	May, 1937	May, 1938	April, 1939	May, 1939
By CATEGORIES : Great Britain	%	%	%	%	%
Total	+ 7·2	+13·2	− 6·1	+ 1·3	+ 9·1
Food and Perishables	+ 5·5	+20·0	− 3·9	+ 2·9	+ 8·9
Other Merchandise ... ... of which	+ 8·7	+ 7·3	− 8·3	− 0·5	+ 9·4
Piece-goods*	− 1·3	− 4·0	− 2·3	− 6·1	− 6·0
(i) Household Goods ...	+ 0·5	+ 1·8	− 1·9	− 5·6	− 1·8
(ii) Dress Materials	− 2·5	− 6·2	− 2·3	− 6·6	− 7·8
Women's Wear*	+ 9·9	+ 7·7	− 7·1	+ 0·5	+12·0
(i) Fashion Departments ...	+12·0	+ 7·2	− 1·8	+ 2·4	+12·9
(ii) Girls' and Children's Wear	+11·2	+ 9·3	−11·3	+ 5·2	+23·1
(iii) Fancy Drapery	+ 8·0	+10·0	−12·8	− 3·0	+ 4·0
Men's and Boys' Wear	+ 9·4	Nil.	− 9·2	− 3·2	+14·7
Boots and Shoes	+17·6	+15·5	−16·7	− 0·4	+23·7
Furnishing Departments ...	+ 9·9	+ 1·2	− 3·9	− 5·7	− 0·7
Hardware	+11·7	− 2·0	− 6·0	− 3·8	− 2·2
Fancy Goods	+ 6·3	+ 9·5	− 9·2	+ 0·2	+ 3·6
Sports and Travel	− 0·2	+ 0·4	−14·5	− 7·5	− 2·3
Miscellaneous and Unallocated...	+ 0·1	+28·6	− 7·1	+ 9·8	+10·2
By AREAS— All Categories—					
Scotland	+ 3·5	+14·4	− 5·5	+ 3·3	+ 9·4
North-East	—	+17·2	− 6·2	+ 1·8	+11·7
North-West	—	+12·5	− 6·8	+ 1·4	+10·9
Midlands & South Wales ...	—	+16·6	− 5·4	+ 3·4	+13·5
South of England	+ 8·9	+12·8	− 4·8	+ 2·6	+10·7
London, Central & West End	+ 1·0	+ 3·3	− 8·6	− 7·0	− 4·2
London, Suburban	+10·2	+16·4	− 5·7	+ 1·0	+ 8·7

* Including some goods which cannot be allocated to sub-headings.

OVERSEAS TRADE

Date	Imports: Food	Imports: Raw Materials	Imports: Manufactured Goods	Imports: Total	Exports: Food	Exports: Raw Materials	Exports: Manufactured Goods	Exports: Total
Monthly Average—	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
1929	44·6	28·3	27·9	101·7	4·6	6·6	47·8	60·8
1930	39·6	20·9	25·6	87·0	5·3	5·3	36·7	47·6
1931	34·7	14·4	21·8	71·8	3·0	3·9	24·3	32·6
1932	31·1	13·7	13·1	58·5	2·7	3·6	23·0	30·4
1933	28·3	15·0	12·6	56·3	2·4	3·8	23·4	30·6
1934	28·9	17·5	14·3	61·0	2·5	4·0	25·4	33·0
1935	29·6	17·7	15·4	63·0	2·6	4·4	27·4	35·5
1936	31·9	20·7	17·7	70·7	3·0	4·3	28·4	36·7
1937	36·0	26·3	22·9	85·7	3·2	5·4	33·7	43·5
1938	35·9	20·6	19·5	76·7	3·0	4·7	30·4	39·2
May, 1938	35·2	20·4	19·4	75·4	2·8	4·9	29·5	38·2
May, 1939	33·6	22·8	21·5	78·5	3·2	5·4	32·7	42·3

SOME LEADING IMPORTS

Date	Wheat	Iron Ore and Scrap	Raw Cotton	Raw Wool	Hides, Wet and Dry	Wood Pulp	Rubber	Iron and Steel Manufactures
Monthly Average—	(thous. cwts.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. centals of 100 lbs.)	(thous. cwts.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. tons)
1929	9,314	480	1,283	678	98	137	330	235
1930	8,731	363	1,011	652	108	128	326	243
1931	9,952	185	989	707	106	122	237	237
1932	8,803	159	1,048	765	105	153	176	133
1933	9,366	234	1,169	793	120	162	189	81
1934	8,552	392	1,052	657	116	187	395	114
1935	8,435	415	1,060	720	141	185	325	96
1936	8,401	587	1,289	762	157	198	116	124
1937	8,074	669	1,382	653	157	149	254	170
1938	8,471	497	1,006	735	124	135	314	112
May, 1938	8,514	586	765	1,091	119	114	398	56
May, 1939	8,413	583	901	1,130	157	173	235	143

SOME LEADING EXPORTS

Date	Coal	Iron and Steel	Machinery	Cotton Yarns	Cotton Piece-Goods	Woollen Tissues	Worsted Tissues	Motor Cars
Monthly Average—	(thous. tons)	(thous. tons)	(thous. tons)	(mill. lbs.)	(mill. sq. yds.)	(thous. sq. yds.)	(thous. sq. yds.)	(number)
1929	5,022	365	47	11·8	306	9,016	3,490	1,991
1930	4,573	263	40	11·1	201	6,587	2,893	1,602
1931	3,563	165	27	11·4	143	4,694	2,479	1,429
1932	3,242	157	25	13·9	183	4,461	2,358	2,246
1933	3,256	160	23	15·8	169	5,110	2,741	2,821
1934	3,305	188	28	10·9	166	5,745	2,772	2,904
1935	3,226	193	32	11·8	162	5,934	3,205	3,659
1936	2,878	184	32	12·6	160	6,523	3,304	4,268
1937	3,363	215	37	13·3	160	6,653	3,583	4,468
1938	2,988	160	38	10·2	115	4,910	2,631	3,677
May, 1938	3,323	168	37	8·4	110	3,457	1,956	4,446
May, 1939	3,868	168	37	10·5	120	4,411	2,064	5,728

PRICES

1. WHOLESALE PRICES

Date	Index Number (Sept. 16th, 1931 = 100)				
	U.K.	U.S.A.	France	Italy	Germany
Average 1929	150·9	139·4	141·3	146·0	126·1
1932	103·5	89·3	92·0	93·1	83·7
1933	103·5	93·7	87·7	86·6	85·7
1934	106·4	111·1	83·1	84·2	90·4
1935	108·1	120·3	78·4	97·2	93·5
1936	116·2	121·4	90·6	112·5	95·6
1937	134·6	131·5	127·0	133·3	97·3
1938	121·5	117·7	144·2	143·3	97·1
End May, 1938 ...	120·0	117·2	145·8	143·3	96·9
„ June, 1938 ...	120·2	117·6	147·3	143·8	96·9
„ May, 1939 ...	117·5	115·6	157·1	146·4	97·9
„ June, 1939 ...	117·1	114·3	155·3	147·0	98·4

Sources: U.K., "Financial Times"; U.S.A., Irving Fisher; France, Statistique Générale; Italy, Italian Chamber of Commerce; Germany, Statistiche Reichsamt.

2. RETAIL PRICES (cost of living)

Date	Food	Rent (including Rates)	Clothing	Fuel and Light	Other Items included	All Items included
End of 1929 ...	57	52	115	75	80	66
1931 ...	31	54	90	75	75	47
1932 ...	23	55	85	70–75	70–75	42
1933 ...	24	56	85	70–75	70–75	42
1934 ...	25	56	85–90	70–75	70–75	44
1935 ...	31	58	85	75	70	47
1936 ...	36	59	90–95	75–80	70	51
1937 ...	45	59	90–110	80–85	75	59
1938 ...	38	61	105–110	80–85	75	55
End May, 1938	38	60	110	75–80	75	55
„ April, 1939	34	62	105–110	80–85	75–80	53
„ May, 1939	34	62	105–110	75–80	75–80	53

The figures represent the percentage increase above July, 1914, which is equal to 100.

3. COMMODITY PRICES (average for month)

Date	Wheat No. 1 N. Manitoba		Sugar Centrifugals U.K.		Cotton American Middling	Wool 64's tops avge.	Pig-Iron Cleveland No. 3		Tin, Standard Cash	Rubber Plantation Sheet
	per qr.		per cwt.		per lb.	per lb.	per ton		per ton	per lb.
	s.	d.	s.	d.	d.	d.	s.	d.	£	d.
Average 1929 ...	54	$0\frac{3}{4}$	9	$0\frac{1}{2}$	10·29	$38\frac{7}{8}$	70	$4\frac{1}{2}$	$203\frac{15}{16}$	$10\frac{1}{4}$
1932 ...	30	$6\frac{1}{4}$	5	$9\frac{1}{2}$	5·29	$22\frac{1}{16}$	58	6	$136\frac{9}{32}$	$2\frac{5}{16}$
1933 ...	28	2	5	4	5·53	$28\frac{5}{16}$	62	3	$194\frac{13}{16}$	$3\frac{1}{4}$
1934 ...	30	11	4	$8\frac{1}{2}$	5·66	$30\frac{31}{32}$	66	$10\frac{1}{2}$	230	$6\frac{3}{16}$
1935 ...	34	$3\frac{1}{2}$	4	8	6·69	28	67	10	$225\frac{15}{16}$	$5\frac{31}{32}$
1936 ...	38	0	4	$8\frac{3}{4}$	6·67	$32\frac{11}{16}$	73	0	$204\frac{15}{16}$	$7\frac{23}{32}$
1937 ...	53	$11\frac{1}{4}$	6	$4\frac{3}{4}$	6·37	$35\frac{9}{16}$	91	10	$243\frac{7}{16}$	$9\frac{1}{2}$
1938 ...	43	2	5	5	4·92	26	109	0	$189\frac{5}{8}$	$7\frac{5}{16}$
June, 1938 ...	45	$6\frac{3}{4}$	5	$2\frac{1}{4}$	4·58	$25\frac{9}{16}$	109	0	$173\frac{13}{16}$	$6\frac{3}{32}$
May, 1939 ...	30	1	8	$2\frac{1}{2}$	5·34	24	99	0	226	8
June, 1939 ...	28	$7\frac{3}{4}$	7	$7\frac{1}{4}$	5·72	$24\frac{15}{16}$	99	0	$228\frac{3}{16}$	$8\frac{7}{32}$

Overseas Statistics

AUSTRALIA

	1935*	1936*	1937*	1938*	Mar., 1938	Apr., 1938	Mar., 1939	Apr., 1939
Wool (million lbs.)	971·0	976·7	1015·0	938·0†	—	—	—	—
Wheat (million bushels)	144·2	150·5	188·4	155·0†	—	—	—	—
Imports (£A millions)	104·7	113·5	139·6‡	126·7§	10·6	10·5	9·8	12·2
Exports (£A millions)	124·4	148·5	141·7‡	125·0§	13·7	12·5	10·8	12·5
Trade Union Unemployment Returns (Commonwealth)	14·0%	10·6%	8·5%	—	—	—	—	—
Wholesale Prices (Sydney Price Index Base 1911 = 100)	Dec., '35 156	Dec., '36 163	Dec., '37 166	Dec., '38 164	165	168	169	165
Cost of Living (Commonwealth Statistician Food & Groceries Base 1923–27 = 100)	Dec., '35 80·9	Dec., '36 85·0	Dec., '37 85·9	Dec., '38 91·0	86·4	86·9	93·8	93·9
Note Circulation (£A millions)‖ ...	47·6	47·4	48·2	49·4	49·0	51·0	47·5	48·5
Commercial Bank Deposits (£A millions)¶	June, '35 289·0	June, '36 286·9	June, '37 308·4	June, '38 315·1	321·6	321·7	321·6	323·0
Commercial Bank Advances (£A millions)¶	June, '35 252·0	June, '36 261·2	June, '37 259·2	June, '38 284·9	278·5	283·5	285·4	289·7

* Except where otherwise stated the figures relate to the years ending June 30th, 1936, 1937, 1938, and 1939, respectively.

† Estimated figures. ‡ Preliminary figures.

§ Twelve months ended April, 1939 (preliminary figures).

‖ Monthly average for year quoted. ¶ Average of weekly figures.

CANADA

	1935	1936	1937	1938	Mar., 1938	Apr., 1938	Mar., 1939	Apr., 1939
Industrial Production :—								
General Index (1926 = 100)	103·6*	114·4*	126·8*	114·6*	110·2	114·2	115·2	119·1
Newsprint (thousands) (short tons) ...	2,765	3,225	3,674	2,625	224·6	200·8	220·6	220·8
Steel (thousands) (long tons)	942	1,116	1,403	1,156	118·7	116·4	95·7	99·8
Automobiles and Trucks (thousands)...	173	162	207	166	16·8	18·8	17·5	16·9
Imports ($ millions)	550·3	635·2	808·9	677·5	65·0	48·9	58·4	41·9
Exports ($ millions)	838·3	1027·9	1114·5	956·7	75·1	56·2	77·1	56·5
Employment Index (1926 = 100) ...	94·4*	103·7*	114·2*	111·9*	112·3	111·2	110·9	111·1
Wholesale Prices (1926 = 100)	72·1*	74·6*	84·5*	78·6*	83·1	82·3	73·2	73·4
Cost of Living (1926 = 100)	79·3*	80·8*	83·0*	84·0*	84·2	84·2	82·9	82·9
Gold Reserve—Bank of Canada ($ mill.)	154·6	179·7	182·0	181·0	180·2	180·7	201·6	205·6
Note Circulation :—								
Bank of Canada ($ millions)	48·9	64·0	90·6	105·9	100·0	101·9	107·2	109·4
Chartered Bank Deposits ($ millions) ...	2,476	2,668	2,840	2,892	2,808	2,884	3,021	3,050

* Monthly averages.

INDIA

	1935	1936	1937	1938	Apr., 1938	May, 1938	Apr., 1939	May, 1939
Imports (lakhs of rupees)*	11,33	10,37	13,73	12,79	13,43	12,44	13,40	14,62
Exports (lakhs of rupees)*	13,39	15,44	17,52	14,05	12,66	12,02	13,24	15,33
Gold—Net Imports (−) or Net Exports (+) (lakhs of rupees)*	+3,60	+2,66	+1,36	+1,23	+1,18	+0,94	+0,96	+ 1,19
Silver—Net Imports (−) or Net Exports (+) (lakhs of rupees)*	+0,25	−1,10	−0,53	−0,11	−0,15	−0,35	−0,25	−0, 61
Wholesale Prices (Calcutta, 1914 = 100)	91·0	91·0	102·0	95·5	94·0	94·0	99·0	100·0
Cotton† :—								
Official Crop Estimate (thousand bales)	4,807	5,933	6,204	5,663	—	—	—	—
Exports of Raw Cotton (thousand bales)	3,446	3,396	4,267	2,732	—	—	—	—
Piece Goods :—								
Home Production (yds. mill.) ...	4,853	5,227	5,004	5,568	—	—	—	—
Imports (yds. mill.)	944	947	699	591	—	—	—	—
Exports (yds. mill.)	58	71	191	241	—	—	—	—

* Monthly averages for the years 1934–37 inclusive.

† These statistics cover the seasons 1934–35, 1935–36, 1936–37 and 1937–38. The supplementary cotton crop estimate for 1938–39 is 5,120,000 bales.

NOTE.—One lakh of rupees equals approximately £7,500. One crore equals 100 lakhs.

NEW ZEALAND

	1935*	1936*	1937*	1938*	Mar., 1938	Apr., 1938	Mar., 1939	Apr., 1939
Imports† (£ N.Z. thous.)	2,865	3,337	4,282	4,776	4,907	4,455	4,355	3,778
Exports† (£ N.Z. thous.)	3,610	4,594	5,397	5,073	7,366	4,547	7,682	4,933
Net Overseas Funds of New Zealand Banks (end July each year, £ N.Z. mill.)	43·2	43·2	34·9	23·3	26·6	28·6	9·3	9·0
Wholesale Prices (1909–13 = 100) ...	138·5	139·9	150·0	151·4	152·2	151·9	154·8	154·8
Import Prices (1909–13 = 100)	132·2	133·2	140·2	142·5	142·5	142·4	141·8	142·1
Export Prices (1909–13 = 100)	110·2	125·0	144·0	136·7	134·5	134·3	133·0	129·2
Cost of Living (July, 1914 = 100) ...	133·3	137·6	147·0	151·4	150·2	150·7	154·0	154·8

* Monthly average. † The figures relate to the years ended July, 1935, 1936, 1937 and 1938.

THE UNITED STATES

	1935	1936	1937	1938	Mar., 1938	Apr., 1938	Mar., 1939	Apr., 1939
Industrial Production (1923–25 = 100)	90	105	109	84	75	73	96	92
Automobile Production (1923–25 = 100)	99	112	121	62	54	54	91	87
Freight Carloadings (1923–25 = 100) ...	64	75	78	62	60	57	66	60
Imports ($ millions)	170·6	201·9	257·0	163·4	173·0	160·0	190·0	186·0
Exports ($ millions)	190·2	204·7	278·7	257·8	275·0	274·0	268·0	231·0
Employment in Manufacturing Industries (1923–25 = 100)	91·3	97·8	105·8	87·0	87·4	85·4	91·0	90·9
Wholesale Prices (1926 = 100)	80·0	80·8	86·3	78·6	79·7	78·7	76·7	76·2
Monetary Gold Stock ($ millions) ...	9,059	10,578	12,162	13,250	12,778	12,829	15,014	15,509
Money in Circulation ($ millions) ...	5,585	6,101	6,475	6,510	6,338	6,387	6,764	6,867
Reporting Member Banks, Demand Deposits (adjusted) ($ millions) ...	12,729	14,619	15,097	15,033	14,360	14,437	16,032	16,455

BELGIUM

	1935*	1936*	1937*	1938*	Apr., 1938	May, 1938	Apr., 1939	May, 1939
Industrial Production :—								
General Index (1923–25 = 100) ...	99·9	108·1	120·7	97·0	92·9	92·5	105·4	—
Coal (thousand tons)	2,207	2,314	2,473	2,464	2,561	2,463	2,524	—
Steel (crude) (thousand tons)	247	259	315	184	154	158	213	—
Total Imports (value Frs. millions) ...	1,417	1,758	2,271	1,891	1,866	1,878	1,700	—
Total Exports (value Frs. millions) ...	1,317	1,643	2,116	1,791	1,705	1,700	1,650	—
Employment Index (1929 = 100) ...	79·9	85·3	88·5	84	85·1	84·7	—	—
Wholesale Prices (1914 = 100)	537	588	684	630	640	631	602	597
Cost of Living (1921 = 100)	188	198	212	218	213·2	213·8	212·6	210·9
Gold Reserves (Frs. millions)	17,285	18,685	17,610	17,130	15,615	13,465	15,330	15,445
Note Circulation (Frs. millions)... ...	20,640	22,450	21,460	22,020	21,950	20,580	22,295	22,125

* Monthly averages.

FRANCE

	1935*	1936*	1937*	1938*	Apr., 1938	May, 1938	Apr., 1939	May, 1939
Industrial Production :—								
Coal (tons thousand)	3,851	3,770	3,693	3,875	4,043	3,734	4,131	—
Steel (tons thousand)	522	559	658	514	500	501	625	—
Imports (Frs. millions)	1,745	2,118	3,526	3,832	3,877	3,878	4,125	4,080
Exports (Frs. millions)	1,289	1,291	1,995	2,549	2,364	2,324	3,034	3,063
Unemployed (thousands)	426	434	351	374	393	381	386	376
Wholesale Prices (1913 = 100) ...	338	411	581	653	643	654	675	684
Cost of Living (Paris, July, 1914=100)	423	470	601	702	702	705	734	738
Gold Reserves (Frs. millions)† ...	66,296	60,359	58,933	87,265	55,807	55,808	92,267	92,266
Note Circulation (Frs. millions)† ...	81,150	89,342	93,837	110,935	98,519	98,923	124,666	121,391

* Monthly averages. † End of year.

HOLLAND

	1935*	1936*	1937*	1938*	Apr., 1938	May, 1938	Apr., 1939	May, 1939
Industrial Production :—								
General Index (1929 = 100)	90·2	91·4	102·8	104·1	—	—	108·0‖	108·0‖
Imports (Fl. millions)	78·0	84·7	129·2	117·9	115·0	109·7	121·8	123·5
Exports (Fl. millions)	56·3	62·2	95·7	86·6	80·5	83·2	82·3	90·7
Unemployed (thousands)	384·7	414·5	368·9	353·5	354·7	332.0	305·6§	—
Shipping :—								
Entered in 1,000 tons G.R.T. ...	1,645	1,771	1,945	3,592	3,340	3,839	3,640	4,220‡
Cleared in 1,000 tons G.R.T. ...	1,268	1,357	1,517	2,693	2,652	2,684	2,605	2,670‡
Wholesale Prices (1926–30 = 100) ...	61·5	63·8	76·2	71·9	72·5	71·9	69·8	70·0
Cost of Living (1911–13 = 100) at Amsterdam	136·2	132·0	137·3	138·6	138·2	139·1	138·2‖	138·2‖
Gold Stock (Fl. millions)	643†	720†	1,366†	1,461†	1,480	1,481	1,226	1,209
Note Circulation (Fl. millions)	809†	792†	868†	992†	901	945	1,037	1,046

* Monthly average, general index for industrial production : 3-monthly average.
† End of year. ‡ Preliminary.
§ Including 65,600 people who, not finding employment in their own trades, have been employed in the execution of government projects. ‖ Average for the first quarter of 1939.

GERMANY

	1935*	1936*	1937*	1938*	Apr., 1938	May, 1938	Apr. 1939	May, 1939
Industrial Production :—								
General Index (1928 = 100) ...	95·3	107·8	118·8	128·0	125·6‖	128·8‖	135·2‖	135·7‖
Coal (million tons)	11·9	13·2	15·4	15·5	14·5‖	15·3‖	14·1‖	15·8
Lignite (million tons)	12·3	13·5	15·4	16·2	14·7‖	15·7‖	16·9‖	17·3
Steel (thousand tons)	1,371	1,601	1,654	1,937	1,819‖	1,964‖	1,897‖	2,069
Imports (Rm. millions)	347	351	456	504	477	518	402§	440§
Exports (Rm. millions)	356	397	493	468	454	469	437§	485§
Employment (thousands)	15,949†	17,097	18,354	19,566	19,401‖	19,857‖	20,687‖	—
Wholesale Prices (1913 = 100) ...	101·8	104·1	105·9	105·7	105·6	105·4	106·4	106·5
Cost of Living (1913–14 = 100) ...	123·0	124·5	125·1	125·6	125·6	125·9	125·9	126·1
Money in Circulation (Rm. millions)‡	6,389	6,694	7,499	8,726	8,068‖	8,233‖	10,740‖	10,742‖

* Monthly average.

† Saar excluded.

‡ End of year.

§ Includes Austria and Sudetenland.

‖ Includes Austria.

SWITZERLAND

	1935	1936	1937	1938	Apr., 1938	May, 1938	Apr., 1939	May, 1939
Imports (Fr. millions)	106·9	105·5	150·6	133·9	124·2	126·2	141·2	162·7
Exports (Fr. millions)	66·25	73·5	107·2	109·8	106·7	104·1	112·2	116·7
Wholly unemployed (per cent. of total population)	2·0	2·3	1·7	1·6	1·4	1·3	0·9	0·8
Wholesale Prices (1914 = 100)	90	96	111	107	108	107	106	107
Cost of Living (1914 = 100)	128	130	137	137	137	136	136	137
Gold Reserves (Fr. millions)	1,457	1,690	2,640	2,849	2,882	2,837	2,471	2,471
Note Circulation (Fr. millions)	1,283	1,294	1,378	1,555	1,538	1,529	1,773	1,737
Commercial Bank Deposits (Fr. millions)	2,693	3,150	3,277	3,111	—	—	—	—
Cantonal Bank Deposits (Fr. millions) ...	6,134	6,260	6,421	6,201	6,386	6,349	6,103	—

DENMARK

	1935*	1936*	1937*	1938*	Apr., 1938	May., 1938	Apr., 1939	May., 1939
Industrial Production :—								
General Index (1935 = 100)	100·0	104·0	109·0	108·0	109·0	109·0	115·0	116·0
Imports (Kr. millions)	110·8	123·7	139·1	136·7	117·2	115·5	114·5	147·7
Exports (Kr. millions)	105·6	115·0	130·7	129·2	123·6	123·5	132·4	129·5
Unemployed (per cent.)	19·7	19·3	21·9	21·4	20·3	17·5	16·9	11·7
Wholesale Prices (1935 = 100) :—								
Import Goods	100·0	108·0	129·0	114·0	116·0	116·0	110·0	113·0
Export Goods	100·0	106·0	110·0	111·0	110·0	110·0	106·0	102·0
Total	100·0	105·0	119·0	112·0	113·0	112·0	109·0	111·0
Cost of Living (1935 = 100)	100·0	102·0	105·0	107·0	107·0	—	107·0	—
Gold Reserves (Kr. millions)	126·8	118·0	117·9	117·7	117·7	117·7	117·5	117·5
Note Circulation (Kr. millions)	372·9	381·9	388·3	411·5	420·5	408·5	448·5	434·6
Commercial Banks' Deposits (Kr. millions)	2,054	2,100	2,132	2,187	2,114	2,163	2,249	2,312

* Monthly average.

NORWAY

	1935*	1936*	1937*	1938*	Apr., 1938	May, 1938	Apr., 1939	May, 1939
Industrial Production :—								
General Index (1935 = 100)	100	111	122	122	117	120	126	—
Export Industries (1935 = 100) ...	100	110	115	113	104	107	110	—
Home Industries (1935 = 100) ...	100	111	126	127	124	127	135	—
Imports (in millions of Kr.)	58·8	77·2	107·7	99·0	106·8	96·0	103·0	—
Exports (in millions of Kr.)	50·4	57·1	68·6	65·5	57·2	50·1	58·3	—
Unemployed	36,103	32,643	28,520	28,923	29,850	25,693	30,212	25,037
Idle Shipping (in thousands of tons dead-weight. Beginning of year and month)	313	69	26	Nil	197	207	590	409
Wholesale Prices (1913 = 100)	127	134	156	153	154	154	149	149
Cost of Living (1914 = 100)	151	155	168	171	171	171	171	171
Gold Reserves (Kr. mill., end of year) ...	185	215	180	206	199	199	237	237
Note Circulation (Kr. mill., end of year)	348	429	449	477	444	436	467	458

* Monthly average.

SWEDEN

	1935*	1936*	1937*	1938*	Apr., 1938	May, 1938	Apr., 1939	May, 1939
Industrial Production :—(1935 = 100)†	100	108	119	117	119	118	122	—
Steel Production (in thous. of metric tons)	77	84	94	83	74·4	76·2	88·0	—
Imports (millions of Kr.)	123	136	178	172	167·4	167·2	200·8	208·3
Exports (millions of Kr.)	108	126·2	166·7	151·2	156·8	158·5	151·8	166·5
Unemployed (thousands)	80·8	68·7	66·3	74·6	74·5	58·8	—	—
Wholesale Prices (1935 = 100)‡ ...	100	—	124·5	116·4	117·8	114·6	114·0	114·6
Cost of Living§ (1914 = 100)	156	158	162	166	165	165	168	168
Gold Reserves (Kr. mill., end of year) ...	408	529	539	707	576	600	747	759
Note Circulation (Kr. mill., end of year)	786	893	980	1,061	948	931	1,041	1,012
Timber Exports (thousands of cub. metres)	300	334	353	283	153	292	128	371
Wood Pulp Exports (in metric tons) ...	175	190	213	165	174	177	177	209

* Monthly average. † Association of Swedish Industries. ‡ Svenska Handelsbanken.
§ Royal Social Board, Quarterly figures published beginning of each quarter.

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